

# Bernstorff Left Big Reptile Fund In 16 Banks Here

Cancelled Checks Link Others in Plot; Most of Money Raised in U. S.

Rumely Offers To Reveal All

Agrees to Waive Immunity and Appear at Senate Inquiry

Startling revelations centering about the purchase of "The Evening Mail" by the Imperial German government continued yesterday. It was announced that the United States government contemplated other arrests and that investigation so far had disclosed that Count von Bernstorff and his financial agent, Dr. Heinrich Albert, had used sixteen New York banks as depositories for German funds to be used in espionage and propaganda work after they left the country.

Alfred E. Becker, Deputy Attorney General, who is directing the investigation, said that not \$30,000,000 alone had been held in this country for use as a "slush fund" by Germany, but that much more had been at the disposition of German propagandists here.

Mr. Becker made this statement in reply to the demand made by Senator King that the government should conduct an investigation into the report that \$30,000,000 had been used here by the pro-German agents for the purchase of newspapers and for espionage and propaganda purposes. "Such an investigation has been under way for the last two months," said Mr. Becker. "It has developed the fact that in New York City alone sixteen banks were acting as depositories for the German slush fund, which was not only \$30,000,000, but more.

## Most of Fund Raised Here

"Little of this money came from Germany. Most of it was raised here by subscriptions to the German war loans and by other methods which brought subscriptions from Germans and Austrians. "We have completed the investigation of sixteen banks in so far as regards the money held by them. We are now getting the checks made out by Count Bernstorff and his financial agent, Dr. Albert, the paymaster of the propagandists. All the checks were drawn to 'Cash' probably to conceal their disposition. "We are calling in the recipients of these checks and questioning them closely in an effort to find out the final disposition of the money. The accounts in these banks were all closed out when Bernstorff and the agents left the United States."

## Rumely Offers to Tell All

When Dr. Rumely heard that Senator King had suggested the inquiry he sent a telegram to Washington offering to waive immunity and give whatever testimony the government might desire regarding the transaction. "I am interested in the light thrown on the career of 'The Evening Mail' under the rule of Rumely by William W. Mills, secretary of the Bureau of Standards and Appeals, who was city editor of the paper when the German interests took charge. Mr. Mills explained that the real editorial force of the paper, consisting of T. E. Niles, managing editor; John C. Cook, the business manager; J. E. Chamberlain, editor in chief, and himself were forced to resign by Rumely. "He said that when he heard the paper was for sale he discussed the matter with his associates and it was decided that they would purchase the property. After securing assurance of the required capital from friends, Niles was instructed to see Mr. Stoddard regarding the purchase before the paper was bought by Germany, as was rumored at the time. Mr. Stoddard at the time denied that the paper was for sale. "When the paper was bought by Dr. Rumely Mr. Mills said he and the other editors watched the proceedings with interest. This was in June, 1917. He added that a week after Rumely took charge every one

## U. S. Knows Holders Of Germany's Bonds

WASHINGTON, July 12.—A fairly complete list of the holders of German government bonds in the United States is among the assets of Secret Service men fighting German propaganda, it was said to-day by officials, discussing the disclosure of the large holdings of the Busch family made yesterday by Alfred L. Becker, New York Assistant Attorney General.

Names of nearly 20,000 individuals are on the list, which has been built up during the course of secret investigations made during the last two years. A wide distribution was given to the securities and they were issued in denominations as small as \$50.

# O'Leary Wilts Admits Most Of Charges

Sinn Feiner, Accused of Treason, Falters on Cross Examination

The government for the first time yesterday unmasked its batteries against Jeremiah A. O'Leary, Irish agitator and American citizen, now under indictment on a charge of treason against the United States.

All afternoon Assistant United States Attorney Earl Barnes piled up the counts against the Sinn Feiner.

"Did you know Sir Roger Casement, the Irish agitator hanged for high treason in the City of London?"

"Did you attempt to start a propaganda paper here to be called 'True American' and to be run by Sir Roger Casement from ambush?"

"Did you publicly liken Sir Roger Casement's expedition into Germany to Benjamin Franklin's expedition to France?"

"Did you call on George Sylvester Viereck, editor of 'The Fatherland,' to solicit his aid in carrying on an Irish-American press bureau?"

"Did you try to secure funds for your press work through von Bernstorff and Count Dumba, the Austro-Hungarian Ambassador?"

"Did you seek an introduction to Dr. Heinrich Albert, paymaster of the German propagandists in this country?"

"Were anonymous contributions to your American 'Truth Society' subsequently made by Dr. Heinrich Albert?"

## Admits Nearly All Accusations

Like revolver shots, the questions cracked out. Under the volley of them Jeremiah O'Leary shifted, fidgeted, dropped his head, ran his hands through his hair, hesitated, begged for time to think. But in the end, either directly or indirectly, he admitted practically every accusation marshaled in the District Attorney's long list.

With folded arms and tightly compressed lips he listened, too, to the prosecutor's reading of very extracts from his own writings and speeches.

"If Ireland were at Heligoland to-day, instead of where she is, there would have an ally that, unlike Italy, would not be in the war," O'Leary said.

"Now is the time for Germans and Irishmen to cement their friendship."

"All the world knows now that the stories of German atrocities in Belgium are falsified stories."

"If the United States should, by any chance, go to war against Germany it would do something far more inhuman than anything the German submarine warfare has done, when a war can be avoided by simply ordering American citizens to keep off belligerent munition ships."

"Did you say that?" the prosecutor challenged as he completed each extract. And in every case Jeremiah O'Leary answered: "Yes, sir, I did."

Once, when the District Attorney was reading a poem of the wit's composition—a long parody of "Columbus, Gem of the Ocean," which bristled with bitter denunciation of America's part in the war—O'Leary, from the stand, sternly corrected him when he read the word "breast" where it should have been "heart."

## Admits Ridder Letter

Later, when asked if the phrase "That whelp Mitchell," read from his notorious letter to Bernard Ridder, referred to the late Major Mitchell, O'Leary answered: "Yes."

"You know very well whom it referred to," Mr. Barnes. It referred to the grandson of the great Fenian leader, John Mitchell.

# Coal or Drink Is Alternative Put to Wilson

Fuel Producers Unanimous in Demanding National Prohibition at Once

Stand Approved by Congress Members

Liquor Said To Be Robbing Miners of 40 Per Cent of Efficiency

By Theodore M. Knappen

WASHINGTON, July 12.—Coal or booze is the alternative that has been put squarely up to President Wilson and Congress by the National Coal Association and the fuel administration. The National Coal Association announced to-day that "a definite programme for increased coal production, placed formally before the United States Fuel Administration as the best thought of the industry, carries with it the recommendation that nationwide prohibition be put into effect at once."

The association represents bituminous coal operators with an annual production of 400,000,000 tons, and at a meeting of its production committee held here recently and attended by coal men from all sections of the country, it was unanimously decided that the chief hope of obtaining a large increase of coal production lay in keeping liquor away from the miners.

The resolution, which was transmitted to President Wilson by the Fuel Administrator Dr. Garfield, is well known to be in accord with the latter's views, and is said to have made a deep impression on President Wilson, who is now represented as being willing to do anything he can to bring about national prohibition for the period of the war at the earliest possible moment. Every member of Congress was notified of the association's position two days ago, and many have already responded expressing their approval of its stand.

The coal operators are not satisfied with the Gore amendment to the food stimulation act, which would cut off wine, beer and whiskey on December 31 next, but want steps taken to eliminate them immediately, so the miner can swing into increased coal production at the most favorable time of the year for operations.

## All Fears Allayed

The fuel administration has been afraid that any intimation it was working for prohibition would have a bad effect on the disposition of the miners toward it, but the coal association says that Frank Farnington, president of the United Mine Workers for the State of Illinois, is in favor of prohibition and has so informed Dr. Garfield. In fact, the coal men say it is a simple proof of the need of prohibition. The various instances cited to you to-day need not be repeated here, but they typify the experience of operators throughout the entire country.

In their statement to the public the coal operators say that nationwide prohibition during the war is absolutely essential to mobilize every plan for speeding up the mine industry to get the 100,000,000 additional tons of coal the country will require this winter. In fact, the coal men say it is a straight case of giving up booze now or getting along without coal next winter, and they don't know how it will be possible to deprive all the miners of drink without depriving the whole country of it.

## All For Prohibition

"Our committee," said Chairman A. R. Hamilton, "is composed of practical operating men, representing all the principal producing districts of the country. They are men of all shades of personal opinion. Some come from wet states, some from dry states and some from states partly wet and partly dry. They have all read the statistics presented their figures to show not only the relative efficiency of the mines as between wet and dry states, but the difficulties of working out any practical benefits from drink restriction along the border line between wet and dry territory. The result was a determined and unqualified stand for national prohibition."

"The committee feels that the drink evil has become so rampant in the mining communities that its complete elimination is fundamentally necessary in the effort to speed up the mine industry to get the 100,000,000 additional tons of coal this country will require this winter. It is now up to Congress to make a clean-cut choice between booze for the mining communities and coal for the war and the public."

Always a source of demoralization of the coal industry, the riotous prosperity that has come to the miners since the war, and the unlimited opportunity for employment that war has brought to them has made drinking the chief impediment to expansion of production. In every mining community where the sale of intoxicants is permitted, saloons and drinking clubs and associations abound. The miners "howl up" Saturday night and Sunday or appear in Monday bracing up or appear at the mines with paralyzing "hangovers." Besides, they resort to the cheering bout as occasion offers and it always offers—through the week. The men thus not only lose much time, but their effectiveness when they do work is greatly impaired, and they are kept in an unsteady mental condition.

# Hertling's Ear Open to Allies For Peace Talk

Chancellor Tells Reichstag of Germany's Yearning for End of War

Wants Proposals Made to Germany

Admits Grave Doubts Exist Concerning Situation Presented in Russia

LONDON, July 12.—Debate on the general political situation was opened in the Reichstag Thursday by Imperial Chancellor von Hertling, who discussed the retirement of Dr. Richard von Kuehlmann, the German Foreign Secretary, the foreign policy of the government and the economic problems which had arisen because of recent developments in the East. According to a German official wireless message received here, the Imperial Chancellor said:

"I maintain the standpoint of the imperial reply to the peace note of Pope Benedict. The pacific spirit which inspired this reply has also inspired me. At the time, however, I added that this spirit must not give our enemies free conduct for an interminable continuation of the war. "What have we lived to see, however? While for years there can have been no doubt whatever of our willingness to hold out our hand toward an honorable peace, we have heard until these last few days inciting speeches delivered by enemy statesmen. President Wilson wants war until we are destroyed, and what Mr. Balfour, the British Secretary of State for Foreign Affairs, has said, must really drive the flush of anger to the cheeks of every German. "We feel for the honor of our fatherland, and we cannot allow ourselves to be constantly and openly insulted in this manner. Behind these insults is the desire for our destruction. As long as this desire for our destruction exists we must endure, together with our faithful nation. "I am also convinced—I know it—that in the widest circles of our nation the same serious feeling exists everywhere. As long as the desire for our destruction exists we must hold out, and we will hold out, with confidence in our troops, in our army and administration and our magnificent nation, which bears so wonderfully these difficult times with their great privations and continuous sacrifices. "In the direction of our policy nothing will be changed, if, in spite of these hostile statements by the enemy statesmen, any serious efforts for a paving of the way to peace were to show themselves anywhere, then, quite certainly, we would not adopt a negative attitude from the very beginning, but we would examine these seriously meant—I say expressly seriously meant—efforts immediately with scrupulous care. "Naturally, it is not sufficient when some agent or other approaches us and says to us, 'I can bring about peace negotiations, then and there.' But it is necessary for the appointed representatives of the enemy powers, duly authorized by their governments, to give us to understand that discussions are possible. Discussion at the time being naturally will be within a limited circle. "Discussed Before Kaiser "But the statesmen who have spoken up to the present time have not said a word about such possibilities. When such possibilities manifest themselves and when serious inclinations toward peace show themselves on the other side, then we will immediately go into them. That is to say, we will not reject them—and we will speak, to begin, within a small circle. "I also can tell you that this standpoint is not merely my own stand, but that it is shared emphatically by the chief of the army administration. The chief of the army administration does not desire war for the sake of war, but has said to me that as soon as serious desire for peace manifests itself on the other side we must follow it up. "You will be interested to know how we are working on this standpoint, and certain problems will appear which the present time forces upon us. Exhaustive discussions took place regarding these questions on July 1 and 2 at general headquarters under the presidency of the Kaiser. "Naturally, I can only announce here quite generally my own stand, and was laid down at that time. Regarding the East, we stand on the basis of the peace of Brest-Litovsk, and we wish to see this peace carried out in a loyal manner. That is the wish of the German imperial administration, and it is supported in this by the chief of the army administration. "Uncertain About Russia "However, the difficulty of the execution of the peace of Brest-Litovsk does not lie on our side, but in the fact that conditions in Russia are still exceedingly uncertain. We are inclined to believe in the loyalty of the present Russian government, and especially in the loyalty of the representative of the Russian government in Berlin. "But we may not and cannot assume unconditionally that the present Russian government has the power to carry through everywhere the loyal promises made to us. We do not at all wish to create difficulties for the present Russian government, but as conditions now are there are incessant developments and increasing frictions in the frontier region. However, our principle is that we stand on the basis of peace made at Brest-Litovsk, and we will carry out this peace loyally, and will deal loyally with the present government. "They are still under the depressing influence of a terrible crime in Moscow. The murder of our ambassador there was an act in violation of inter-

# Foch Gains in Two Attacks; Allies Capture Berat; Form 200-Mile Front in Balkans

AND HE THOUGHT IT WAS GOING TO BE SO EASY



# Peasant Army Is Marching On Moscow

M. Tchernoff, Social Revolutionist Leader, at Head of Many Bands

LONDON, July 12.—M. Tchernoff, a leader of the Russian Social Revolutionists, is marching on Moscow at the head of a numerous band of unarmed peasants, says a dispatch from Stockholm to the Paris "Matin." Part of his force has arrived in the outskirts of the Bolshevik capital.

A dispatch received in Paris on July 9 reported that M. Tchernoff and three other members of the Kerensky Cabinet had been arrested in Moscow as alleged leaders of a revolt against the Bolsheviks. German reports have declared that the Social Revolutionists were responsible for the abortive revolt.

German official circles are of the opinion, says a Berlin dispatch to the "Rheinische Westfaelische Zeitung," of Essen, that in the event of civil war breaking out in Russia the vital interests of Germany would force her to act on her own account in order to eject the British in the north.

The reference here is evidently to the Murman coast region, where Allied forces have been landed for the protection of supplies sent to Russia by the Entente.

## Japanese Not Feared

Intervention by Japan in Siberia, adds the dispatch, is regarded as of secondary importance, because Russia, having no interests divergent with those of Japan, would soon succeed in arriving at an understanding with her.

Germany's claim for indemnity from Russia amounts to the round sum of 7,000,000,000 rubles (\$3,500,000,000 at par of exchange), according to a report printed in the Berlin "Vossische Zeitung" of the work done by the mixed commission named to take up consideration of claims growing out of the conclusion of the Brest-Litovsk peace. This commission has concluded its sessions, during which the German representatives, says the newspaper, presented claims aggregating the amount named for war damages. Im-

# Germans Try to Make Belgium an Austria

AMSTERDAM, July 12.—General Baron Friedrich von Falkenhayn, the German Governor General of Belgium, has declared, says the "Hamburger Nachrichten," that Belgium shall be turned into a federal state on the lines of Austria.

Flanders and Walloon, the newspaper adds, will live separately under one king or a president under German control.

# U-Boat, Off U.S., Captures Norse Vessel

Survivors of Manx King, Taken July 6 Near Cape Race, Landed

AN ATLANTIC PORT, July 12.—A German submarine, appearing 300 miles off Cape Race on July 6, captured the Norwegian bark Manx King and ordered the crew of nineteen to take to the boats, it was learned to-night when the survivors were brought here on a British steamship which picked them up at sea.

The survivors said they did not know what became of the bark, whether she was sunk or converted into a raider by the Germans.

The Manx King, which is a vessel of 1,729 gross tons, left a United States Atlantic port about two weeks ago. She is the first craft which has been reported as encountering a U-boat so far north in the Atlantic.

The crew explained that they became excited at meeting a submarine and they promptly obeyed the order to abandon the bark. Pulling away rapidly, they were overtaken by darkness before seeing what disposition had been made of the vessel.

The Manx King was built at Stockton, England, in 1884 by the Richardson Dock Company. She was registered at Fredrikstad as owned by T. Wilhelm and Axel Jacobsen and was commanded by Captain Helgesen.

# Archie Roosevelt May Be Invalided Home

Operation Is Performed to Relieve Paralysis of Arm Hit by Shrapnel

PARIS, July 12.—Captain Archie Roosevelt, who was twice wounded by shrapnel last March, has undergone an operation for the purpose of readjusting the nerves in his left arm, which was partly paralyzed.

He has been transferred to the hospital at Neuilly. He is cheerful and represents the prospect of being invalided home, which is a possibility.

Ludendorff Is Driven Back at Two Points; Three Towns, 500 Prisoners Taken

French Strengthen Line in Champagne

Austro-Bulgar Forces in Balkans Again Are Compelled to Retire

The French armies have again thrown the enemy back in two engagements on widely separated sectors of the West front.

In Picardy the French attacked early yesterday on a three-mile front between Castel and Mailly-Raineval, southeast of Amiens, driving the Germans back a mile and a quarter to near the line of the Avre River, capturing the village of Castel and Anchin Farm, and taking more than 500 prisoners.

On the west wing of the Champagne salient the French occupied Longpont and the Javage farm.

Allied attacks on the right of the active Balkan front have resulted in the capture of the city of Berat and forced the enemy to fall back more than ten miles in one day's fighting.

The French on the right captured all the ground between the Tomorica and Devoli rivers, except the heights dominating their confluence. Four hundred Austrians were taken prisoner by the French.

Secretary of War Baker expresses belief that the German high command is encountering obstacles which force a delay in renewal of the offensive on the West front. These obstacles include the German internal condition and the growing strength of the Allies. American army officers believe.

# French in Picardy Advance Over Mile, Taking 500 Germans

LONDON, July 12.—The French have again attacked the German lines in two widely separated sectors, and have thrown the enemy back for new gains, the War Office in Paris said to-day.

In Picardy this morning a brilliant surprise attack on a three-mile front between Castel and Mailly-Raineval, southeast of Amiens, netted an advance of a mile and a quarter. The French captured the town of Castel, and threw the Germans back to near the line of the Avre River.

They also occupied Auchin Farm and several strongly fortified positions. More than five hundred prisoners have already been counted.

(This French advance is just north of the American positions at Cantigny, northwest of Montdidier.)

On the west wing of the Champagne salient, where continuing Allied attacks against the German lines since the halt of the enemy thrust to the Marne have resulted in numerous gains, the French attacked last night east of Villers-Cotterets Forest, captured the village of Longpont and the Javage Farm.

In their advance yesterday southwest of Merris, the British took 120 prisoners.

There have been important raiding operations along the front to-day, especially in Flanders and in the Lys Valley. Prisoners were taken by the British in patrol operations north-east of Merris and near Mount Kemmel. A few prisoners were taken in the Somme region.

# Allies Establish A Single Front From Adriatic to Salonica

(By The Associated Press) ROME, Thursday, July 11.—Italian and Allied troops in Albania and Macedonia have succeeded in perfecting a single front extending from the Adriatic Sea to Salonica, on the Aegean Sea, a distance of some 200 miles, according to the latest reports published here to-day. British monitors and Italian de-